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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :	:
WORLD COM, INC., <u>et al.</u> ,	:
	:
	:
Reorganized Debtors.	:
	:
MCI WORLD COM	:
COMMUNICATIONS, INC., and	:
WORLD COM, INC.,	:
	:
Plaintiffs,	:
	:
v.	:
	:
HSG/ATN, INC.,	:
	:
	:
Defendant.	:
-----X	

Chapter 11 Case No.
02-13533 (AJG)

(Jointly Administered)

Adv. Proc. No. 05-3143 (AJG)

**APPELLANT HSG/ATN, INC.'S DESIGNATION OF RECORD
AND STATEMENT OF ISSUES ON APPEAL**

HSG/ATN, Inc. ("Appellant"), by its undersigned attorneys, pursuant to Federal Rule of Bankruptcy Procedure 8006, hereby designates the record and following issues in connection with its appeal from (i) the Order Granting Reorganized Debtors' Motion for Summary Judgment With Respect to Claim Nos. 38580 and 38583 Filed by HSG/ATN, Inc., and Granting, In Part, HSG/ATN, Inc.'s Motion for Summary Judgment, which was entered on March 22, 2007;

and (ii) the Order Denying Motion of HSG/ATN, Inc. for Allowance and Payment of An Administrative Claim, which was entered on May 11, 2004.

Statement of Issues on Appeal

The two orders appealed from finally resolve the Reorganized Debtors' objections to Claim Nos. 38580 and 38583, which were filed in the main bankruptcy proceedings under Docket No. 02-13533 (AJG). Because the above-captioned adversary proceeding remains pending (Adv. Proc. No. 05-3143 (AJG)), Appellant does not appeal from those portions of the March 22, 2007 Order that concern the adversary proceeding. However, Appellant reserves its right to appeal from those portions of the order upon final resolution of the adversary proceeding.

The issues on appeal are as follows:

1. Whether the Bankruptcy Court erred when it concluded that Appellant's claim for residual commissions accruing post-petition should be treated as a pre-petition claim.
2. Whether the Bankruptcy Court erred when it denied Appellant's motion to have its claim classified and paid as an administrative expense.
3. Whether the Bankruptcy Court erred when it granted summary judgment in favor of the Reorganized Debtors with respect to their objection to Appellant's proofs of claim.
4. Whether the Bankruptcy Court failed to consider the legal significance of the fact that the remaining obligations under Appellant's representation agreement with Reorganized Debtors had been "rejected" post-petition.
5. Whether the Bankruptcy Court erred when it determined that Appellant was not entitled to payment in full on its claim for the post-petition period before the Reorganized Debtors "rejected" the representation agreement.
6. Whether the Bankruptcy Court misinterpreted the termination provisions and other material provisions in the representation agreement.

7. Whether the doctrines of *res judicata* and/or judicial estoppel barred the Reorganized Debtors from contending below that the remaining obligations under the representation agreement had been “terminated” – as opposed to “rejected.”

8. Whether the Bankruptcy Court erred when it refused to afford Appellant an opportunity for discovery under Fed. R. Civ. P. 56(f), and when it granted the Reorganized Debtors’ summary judgment motion without affording Appellant the opportunity to take any deposition testimony whatsoever.

Designation of Record on Appeal

Those portions of the record designated by Appellant are attached hereto as Exhibit A and are marked with an asterisk.

Dated: New York, New York
April 9, 2007

MORGENSTERN JACOBS & BLUE, LLC

By: /s/ Eric B. Fisher
Eric B. Fisher (EF-1209)

Attorneys for HSG/ATN, Inc.